

**THE UNIVERSITY OF MICHIGAN
REGENTS COMMUNICATION**

**Approved by the
Regents
May 21, 2015**

ACTION REQUEST

Subject: Dissolution of the Washtenaw County Health Organization and termination of the Interlocal Agreement between the University of Michigan and the County of Washtenaw.

Action Requested: Approval

Effective Date: May 21, 2015

In the late 1990s, the Washtenaw County Health Organization (WCHO) was created from a project between the University of Michigan Health System and Washtenaw County to integrate mental and physical healthcare services. The original intent of the WCHO, which commenced operations in 2000, was to partner in the care of approximately 5000 mental health patients and combine the financing streams of medical and mental health services. It was ruled early in the partnership, however, that there was to remain a legal separation of these streams. This greatly impacted the ability of WCHO to become a true partnership.

In recent years, the State reorganized mental health services into a regional system limiting WCHO's control and influence over state funding. Within Washtenaw County, there also has been duplication of administrative expenses between WCHO and Community Support and Treatment Services (CSTS), a county-based group. Due to funding changes in mental health spending, duplicate functions between the WCHO and CSTS, and a budget shortfall at the County; the County requested a study of the WCHO partnership in an effort to streamline services.

In the fall of 2014, a Behavioral Health Taskforce was convened between the County and UMHS, the two partners creating the WCHO, to explore the operations of the WCHO and propose options to the County Commission. Task Force deliberations were informed by consultations with St. Joseph Mercy Health System, the Michigan Department of Community Health, CSTS, and other stakeholders. The Taskforce concluded that although the mission of the WCHO was laudable, several circumstances prevented a true partnership. The Taskforce recommended the discontinuation of the legal partnership and dissolution of the WCHO.

In March 2015, the Washtenaw County Commission approved the dissolution of the WCHO and has formed a new Taskforce to move to a County Mental Health Agency and then to a County Mental Health Authority, the model currently in place in all but 2 counties in the State of

Michigan. Representatives from the County, UMHS and St. Joe's are on the new Taskforce with the intent to create a new robust partnership with the County, UMHS and St. Joe's in an effort to share information, develop service agreements, and provide patients with efficient and high-quality coordinated mental and physical health services. Input is being sought from many local and regional stakeholders, and consumer groups. The County will bear responsibility to manage the program and there is no financial impact to the University of Michigan Health System as a result of the dissolution of the WCHO. It is expected that UMHS will have representation on the Agency advisory board.

We recommend approval of the Dissolution of the Washtenaw County Health Organization and Termination of the Interlocal Agreement between the University of Michigan and the County of Washtenaw.

Respectfully submitted,



Marschall S. Runge, M.D., Ph.D.
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May 2015